

Quarterly Report Number 2 (October – December 2000)

A Task Order under the RAISE IQC

Contract Number PCE-I-00-99-00003-00 Task Order Number 805

Strategic Objective: For the Reduction of Illicit Crop Production in Selected
Areas of Colombia

Submitted to:
USAID Colombia/Mr. Harry Wing

Submitted by:
Chemonics International, Inc.
1133 20th Street, NW
Washington, DC 20036
Telephone (202) 955-3300
Fax: (202) 955-7540

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A. Background

The USAID/Chemonics "Administrative Team to Assist in Implementing USAID/Colombia Illicit Crop Reduction" Project is an important component of the United States' and Colombia's Alternative Development (AD) efforts. The project is supporting local initiatives that will reduce illicit crop production in selected areas of Colombia (Tolima, Huila, Cauca and Nariño, and selected municipalities in Putumayo), and supports the commitment of small-scale farmers (3 hectares or less of coca, 1 hectare or less of poppy) to voluntarily eliminate illicit crop production in exchange for sustained, broad-based economic and social development assistance. Chemonics is overseeing the financial management and contracting functions of this project, and PLANTE (Colombia's National Alternative Development Plan) is responsible for all technical aspects of the project.

B. Significant Accomplishments

This section discusses the main accomplishments associated with the period of October through December 2000.

The principal areas of activity during this period were the approval of the first round of projects and disbursements by Chemonics and by USAID, the final approval of the Grants Manual by USAID, the continued provision of institutional strengthening funds to PLANTE, as well as many advances made in the communication and working relationship between PLANTE and Chemonics.

B1. Grants Manual

Throughout the quarter the project staff worked on finalizing the Chemonics/USAID/PLANTE Grants Manual, which defines the relationship between the three counterpart organizations. The Manual contains the guidelines for the presentation, approval, development and closure of projects brought to Chemonics by PLANTE. Furthermore, it contains eligibility guidelines for grantees and projects, and gives an overview of USAID regulations governing the grant giving process. The Manual was approved by USAID during this reporting period, and will be distributed to PLANTE staff (at the central and regional offices) and potential beneficiaries by the beginning of the next reporting period.

To facilitate understanding and use of the Manual, there will be an English and Spanish version of the Manual. Important input in preparation of the Manual was provided by all three counterpart organizations and reflects the issues and concerns identified by each organization.

B2. PLANTE Institutional Strengthening

One of the areas where the project has had great success during the reporting period has been in the institutional strengthening component of the project. A computer software and hardware purchase totaling approximately US\$150,000 was approved, and the equipment ordered at the end of the period. The new equipment will provide PLANTE's Bogota office with state of the art computers and software, and will facilitate the organization's AD work. Chemonics also approved an institutional strengthening grant, totaling US\$100,000 during the next twelve months, to pay the salaries and travel expenses (when needed) of approximately 26 new and existing PLANTE personnel. The payment of these salaries is crucial to the fortification of PLANTE, as their current budget is insufficient to cover the costs of these important employees. By funding these employees, at the Headquarters and regional office levels, PLANTE will be able to maintain a properly staffed operation and will be able to meet the demands of their AD work. During this period Chemonics has also provided the funds for the publication of PLANTE's monthly Institutional Bulletin.

B3. Project Approvals

While four projects have been brought to Chemonics for approval, only two were approved during this reporting period. The two projects which were brought to Chemonics but were not approved, the Yuca Project in Northern Cauca and the Maracuyá Project in Northern Huila, are pending further documentation but are expected to be approved in the early part of the next reporting period.

The two projects that have been approved by Chemonics thus far are:

- **APOYO AL SISTEMA DE APRENDIZAJE TUTORIAL SAT**

On November 13, 2000 this project was approved and a total of \$94,600,000 Colombian pesos, approximately US \$43,000, was disbursed. SAT will provide formal basic secondary education and vocational training to families involved in alternative development projects by PLANTE in the municipalities of Mocoa, Villa Garzón and Puerto Guzman in the department of Putumayo.

- **ROAD REHABILITATION LA ESTRELLA-EL CEDRO**

This project was approved on November 13, 2000, for a total of \$192,713,000 Colombian pesos or US \$87,600. Will provide funding to rehabilitate a major transportation thoroughfare between La Estrella and El Cedro, facilitating communication and transportation and strengthening PLANTE's Alternative Development work in the area.

B4. Counterpart Cooperation

One of the most important achievements during this reporting period has been the continued cooperation between the three counterparts, particularly in the fields of communication, accountability and follow-through of responsibilities. This was achieved through the establishment of monthly programmatic meetings, attended by all three counterpart organizations, to discuss the status of projects (pending and disbursed), problems encountered and actions to be taken. Minutes of each meeting are taken, with input from all three counterpart organizations, and subsequently distributed to interested parties at USAID, Chemonics and PLANTE. In addition to reflecting the goings-on of the meetings, the written documents serve as a permanent record of commitments made by each organization and have been used as a follow-up tool.

C. Key Constraints and Concerns

C1. Environmental Concerns

A continuing potential obstacle to the disbursement of grants funds has been the uncertainty on the part of USAID Mission and PLANTE of how to deal with environmental requirements. From the inception of the project, environmental protection and ecological conservation associated with the implementation of AD projects in Colombia have been an important issue. While USAID has notified Chemonics that Environmental Impact Assessments (EIAs) must be conducted for projects with likely sensitive or negative impact before disbursement, we have no mechanism under our contract to conduct the EIAs. Furthermore, the projects that PLANTE has been formulating lack adequate environmental impact and mitigation measures and are not environmentally sensitive.

USAID understands the importance of standardizing an environmental policy for AD projects in Colombia, and it commissioned a study during the reporting period in order to address the environmental impact across USAID/Colombia's various Strategic Objectives(SOs). Until the results of this study are known to Chemonics and can be implemented across the board, USAID has given us permission to accept Colombian government environmental approval, given through Comites Ambientales Regionales (CARs). These Regional Environmental Agencies have the mandate to monitor projects for compliance with environmental regulations. However, the process of review and issuance of the licenses by the CARs is tedious, time consuming and cumbersome, and can take up to six months for the entire approval process.

While the system of approving projects with the CAR approvals has worked quite well until now, as the projects presented thus far are of little, or no, environmental impact, it could create a larger problem in the future. However, Chemonics looks forward to receiving further instructions from the Mission on environmental stipulations as the PLANTE projects that are currently in the pipeline may be of higher environmental impact.

Chemonics has expressed its concern to the Mission on the lack of clear environmental guidelines, and has provided several alternatives to the situation. Recommendations have included the provision of technical assistance to the PLANTE regional offices, the funding of a PLANTE in-house expert and the preparation of an "Environmental Check-list" which could be used by grantees to make sure that their projects are in environmental compliance. While none of these recommendations have been exercised to date, we hope to further recommend these options should they become necessary.

Chemonics and the Mission have discussed and agreed for the need for clear environmental guidelines and have discussed several solutions. It is expected that one or more of these options will be implemented in the upcoming quarter.

C2. Project Formation Concerns

While much progress has been made in the consolidation of work between the counterpart organizations, the lack of viable, well thought out and well structured projects being brought to Chemonics by PLANTE continues to be a serious problem. Chemonics maintains that PLANTE is severely lacking, at the regional level, in project formation skills. Few projects that have been brought to Chemonics for review have met the necessary requirements in order to be approved, and subsequently sent to USAID's Alternative Development Manager.

In the reporting period, there were 4 projects brought to Chemonics for implementation, of which only two were fully approved. The other two projects are at different phases of the approval process, pending certain clarification, and are expected to be approved in the early part of the next reporting period.

The issue of the lack of viable projects was brought to PLANTE's attention during this reporting period, and certain internal measures were taken to ensure that more projects were presented to Chemonics. PLANTE staff agreed that more projects would need to be presented to Chemonics and it was expected that PLANTE would present close to twenty projects for approval by the end of the reporting period. As mentioned above, however, only four projects were presented.

Chemonics will propose that more technical assistance be provided to PLANTE's regional offices, so that projects are well presented before they come to Bogota for Technical Review Committee approval.

D. Key Activities Planned for Next Quarter

The next reporting period promises to be one of great activity for the Colombia/PLANTE project, as PLANTE will be presenting many projects to Chemonics for approval. According to PLANTE calculations, Chemonics could receive as many as fifteen to twenty projects for review in the early part of the quarter. As it may be difficult to review and approve such a large number of projects in a very short period of time, Chemonics has asked PLANTE to prioritize projects, in order to operate first in areas of greatest need.

One of the major projects expected to be approved in the next quarter is the Yucca Project in Northern Huila which will help with the implementation of "Patrimonios Autonomos" with the following communities and associations: Cabildo de Corinto, Cabildo de Toez, Cabildo de Miranda, Asociación de Negritudes del Norte del Cauca, Asociación de Campesinos. Other projects include the Maracuyá Project, which will assist with the planting of maracuyá trees in selected communities of Northern Huila, and the continuation of illicit crop substitution efforts in the departments of Huila, Tolima, Cauca and Nariño.

As mentioned above, the Grants Manual will be distributed to PLANTE staff (at the central and regional offices) and potential beneficiaries by the beginning of the next reporting period in English and in Spanish.

E. Contract Modification/Amendments

No Contract Modifications or Amendments have been received during this reporting period.

However, there have been some staff changes and substitutions which need to be noted. Maria Fernanda Garay, the project's Administrative Assistant, became ill and went on disability leave from November 26 until December 26, 2000. On December 26th, Ms. Garay rendered her resignation, as she could not continue to work in her medical condition. Ms. Garay was promptly replaced by Piedad Calderón, a seasoned Administrative Assistant, who was approved by USAID/Peru as a permanent replacement for Ms. Garay on January 11, 2001.

F. Financial Information

	October	November	December	Contract Totals	Billed to Date	Remaining
Workdays Ordered						
Other Direct Costs						
Total						